

AMENDED IN SENATE MAY 1, 2003

SENATE BILL

No. 376

Introduced by Senator Chesbro

February 19, 2003

An act to amend Section 2401 of the Business and Professions Code, relating to healing arts.

LEGISLATIVE COUNSEL'S DIGEST

SB 376, as amended, Chesbro. Healing arts.

Existing law, the Medical Practice Act, restricts the employment of licensed physicians and surgeons and podiatrists by a corporation or other artificial legal entity, subject to specified exemptions.

This bill would exempt a ~~public~~ hospital *owned and operated by a health care district*, as defined, from these restrictions on the employment of licensed physicians and surgeons and podiatrists, provided that the ~~public~~ hospital does not interfere with, control, or otherwise direct the professional judgment of a physician and surgeon.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2401 of the Business and Professions
- 2 Code is amended to read:
- 3 2401. (a) Notwithstanding Section 2400, a clinic operated
- 4 primarily for the purpose of medical education by a public or
- 5 private nonprofit university medical school, which is approved by
- 6 the Division of Licensing or the Osteopathic Medical Board of
- 7 California, may charge for professional services rendered to

1 teaching patients by licensees who hold academic appointments on
2 the faculty of the university, if the charges are approved by the
3 physician and surgeon in whose name the charges are made.

4 (b) Notwithstanding Section 2400, a clinic operated under
5 subdivision (p) of Section 1206 of the Health and Safety Code may
6 employ licensees and charge for professional services rendered by
7 those licensees. However, the clinic shall not interfere with,
8 control, or otherwise direct the professional judgment of a
9 physician and surgeon in a manner prohibited by Section 2400 or
10 any other provision of law.

11 (c) Notwithstanding Section 2400, a narcotic treatment
12 program operated under Section 11876 of the Health and Safety
13 Code and regulated by the State Department of Alcohol and Drug
14 Programs, may employ licensees and charge for professional
15 services rendered by those licensees. However, the narcotic
16 treatment program shall not interfere with, control, or otherwise
17 direct the professional judgment of a physician and surgeon in a
18 manner prohibited by Section 2400 or any other provision of law.

19 (d) Notwithstanding Section 2400, a ~~public hospital~~ *hospital*
20 *owned and operated by a health care district pursuant to Division*
21 *23 (commencing with Section 32000) of the Health and Safety*
22 *Code* may employ a licensee and may charge for professional
23 services rendered by the licensee, if the physician and surgeon in
24 whose name the charges are made approves the charges. However,
25 the ~~public~~ hospital shall not interfere with, control, or otherwise
26 direct the physician and surgeon's professional judgment in a
27 manner prohibited by Section 2400 or any other provision of law.

28 ~~(e) For purposes of this section, "public hospital" means a~~
29 ~~hospital that is licensed to a county, a city and county, a local health~~
30 ~~care district, a local health authority, or any political subdivision~~
31 ~~of the state.~~

